

24<sup>th</sup>

Annual Report

2012-2013



**Jaipur  
Hospital**

**A UNIT OF  
SHARMA EAST INDIA HOSPITALS  
& MEDICAL RESEARCH LIMITED**

## Contents

Board of Directors	01
Major Achievements of the Company	02
Notice	04
Director's Report	06
Management Discussion and Analysis	10
Corporate Governance Report	14
CEO/CFO Certification	24
Auditors Certificate on Corporate Governance	25
Auditors Report	26
Balance Sheet	31
Statement of Profit and Loss Account	32
Cash Flow Statement	33
Significant Accounting Policies	35
Notes forming part of the Financial Statements	39
Proxy Form & Attendance Slip	49

## **BOARD OF DIRECTORS**

Chairman  
Managing Director  
Directors

Shri Ganpat Rai Sharma  
Dr. Shailendra Kumar Sharma  
Dr. Karan Sharma  
Shri.Subhash Chand Jain  
Dr. Ashok Agarwal  
Shri Madhur Krishna Khaitan  
Ms. Avani Kanoi

Auditors

M/S Gopal Sharma & Company

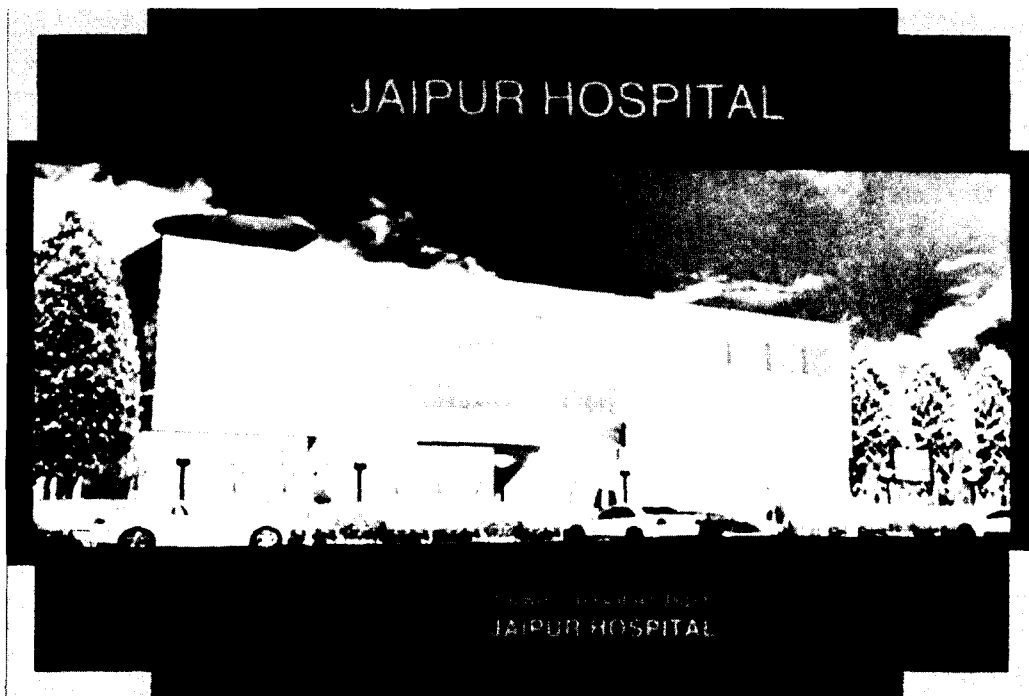
Company Secretary  
Bankers  
Registered Office

Bhavyata Soni  
PNB, SBBJ & SBI  
Jaipur Hospital,  
Lai Kothi, Near S.M.S. Stadium  
Tonk Road, Jaipur-302015  
Phone: 2742557, 2742619, 2742266,  
2740936, 2741465

Registrar and Transfer  
Agent

M/s Beetal Financial & Computer Services  
P. Ltd, Beetal House, 3rd Floor, 99,  
Madangir, Behind Local Shopping Centre,  
Near Dada Harshukh Das Mandir,  
New Delhi-110062

**24<sup>th</sup> Annual General Meeting**  
**FRIDAY THE 27<sup>TH</sup> SEPTEMBER, 2013**  
**AT SHARMA AGRICULTURE FARM**  
**TAKIA KI CHOWKI, KALWAD RAOD,**  
**JHOTWARA, JAIPUR**  
**AT 3.00 PM**



#### Major Achievements During the year :-

1. Final assessment was conducted by National Accreditation Board for Hospitals and Health Care Providers (NABH), NABH accreditation system is one of the methods for commitment to quality enhancement throughout the whole of the health care system in India. It involves all professional and service groups to ensure that high quality in health care is achieved, while minimizing the inherent risks associated with modern health care delivery. NABH accreditation will be a scarce jewel for the Company.
2. Performance of the organization against the stated mission is achieved by the increase in number of patients and number of surgeries from the last year.
3. After the new approvals now company is empanelled with 64 Institutions and TPAs namely, Jaipur Development Authority (JDA), Med save Health Care Limited, MD India Healthcare Services (TPA) (P) Ltd., Medicare TPA Services (I) Pvt.Ltd., Rajasthan Rajya Sahakari Bhoomi Vikas Bank Limited, Rajasthan State Pollution Control Board, Central Institute of Plastics Eng. & Technology, Mecon Limited, National Textile Corporation

(Delhi, Punjab, & Raj.)Ltd., Rajasthan Tours Pvt.Ltd, Central Sheep &Wool Research Institute, Central Bank of India, The Bank Officers'(Retired)Association, Rajasthan Sanskrit University, ITC Limited, Parivar Seva Sanstha, Hotel Jaipur Ashok, University of Rajasthan, Ashok Club, Airport Authority Of India, Hexacom India Limited, Dedicated Healthcare Services TPA (P) Ltd., Rashtriya Chemical & Fertilizers Limited, Rajasthan State Cooperative Marketing Federation Limited (RAJFED), Rajasthan State Mines & Minerals Limited, Tata Memorial Center Hospital (Tissue Bank), National Fertilizers Limited, Employees' State Insurance Corporation, Programs The Smile Train, Rajasthan State Industrial Development & Investment RIICO, Food Corporation Of India (FCI), Hindustan Petroleum Corporation Ltd, The Bank of Rajasthan Limited, Housing & Urban Development Co. Ltd , Ex-Servicemen Contributory Health Scheme (ECHS), The General manager Caim Dept. (RAJCOMP), Central Government Health Scheme, Rajasthan State Road Development & Construction Corporation Limited, Rajasthan Tourism Development Corporation Limited (RTDC), Alan kit Health Care Limited, Rajasthan State Seeds Corporation Limited, Family Health Plan Ltd., Rajasthan Energy Development Agency, Raksha TPA Pvt. Ltd., Rajasthan State Ware House Corporation, UCO Bank, Rajasthan Cooperative Dairy Federation Ltd., State Bank Of India, Rastriya Ispat Nigam Limited, State Bank of Bikaner & Jaipur, Paramount Health Services (P) Limited, Reserve Bank Of India, E-Meditek TPA Services Limited, Bank of India.

**NOTICE:**

**NOTICE** is hereby given that the Twenty Fourth Annual General Meeting of the members of Sharma East India Hospitals & Medical Research Limited will be held as per schedule below:

**DATE: 27TH SEPTEMBER, 2013**

**DAY: FRIDAY**

**TIME: 3.00 PM**

**PLACE: SHARMA AGRICULTURE FARM, TAKIA KI CHOWKI, KALWAD ROAD, JHOTWARA, JAIPUR.**

To transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Reports of the Auditors and the Directors and the Audited Accounts of the company for the year ended 31st March, 2013.
2. To appoint a Director in place of Shri. Subhash Jain, who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Shri Ashok Agarwal, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Dr. Karan Sharma, who retires by rotation and is eligible for reappointment.
5. To appoint Auditor and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution.

**"RESOLVED THAT** M/s Gopal Sharma & Co., Chartered Accountants, 307, Ocean Apartment, Kanti Chand Road, Bani Park, Jaipur be and is hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, to audit the accounts of the Company for the financial year 2013-2014, including audit of cash flow statements, on a remuneration as shall be fixed by the board of directors."

**Date: 13.08.2013**

**BY ORDER OF THE BOARD**

**Registered Office**

Jaipur Hospital  
Lal Kothi, Near S.M.S. Stadium  
Tonk Road, Jaipur-302015

**Sd/-  
Bhavyata Soni  
(COMPANY SECRETARY)**

# SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

2012-2013

## NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not to be a member of the company.  
The instrument appointing a proxy, in order to be effective, must be duly filled, stamped and signed and must reach the registered office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
2. Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution, pursuant to section 187 of the Companies Act, 1956, authorizing their representatives to attend and vote at the Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September 2013 to 27th September 2013, both days inclusive.
4. Proxies/Members are requested to bring the admission slip duly filled for attending the Meeting.
5. Members are requested to bring their copies of Annual Report.
6. Members are requested to quote the ledger folio or client ID & DPID in all the communications with the Company.
7. Members desiring any information as regards to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
8. Members holding shares in dematerialized form are requested to bring their Client ID & DP ID Number for easy identification at the meeting.
9. Members are requested to lodge the transfer, transmission of shares at the registered office or to the Registrar & Share Transfer Agent M/s Beetal Financial & Computer Services P. Ltd, Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harshukh Das Mandir, New Delhi-110062 and to inform any change in their address immediately so as to enable the company to do future communications at their correct address.
10. Members desirous of making a nomination in respect of their shareholding, as permitted by Section 109A of the Companies Act, 1956, are requested to write to the Share Transfer Agents of the Company for the prescribed format.
11. The Company's shares are listed on The Bombay Stock Exchange Limited.
12. Additional particulars of Directors retiring by rotation and eligible for re-appointment pursuant to Clause 49 of the Listing Agreement are mentioned separately in this Annual Report.
13. Members are requested to register their e-mail addresses by sending a written request duly signed by them to our R & T Agent M/s Beetal Financial & Computers Services (P) Ltd. Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Center, Near Dada Harsukhdas Mandir, New Delhi-110062, to enable the Company to send notices and other documents through e-mail in future.

**Date: 13.08.2013**

**BY ORDER OF THE BOARD**

### **Registered Office**

Jaipur Hospital  
Lal Kothi, Near S.M.S. Stadium  
Tonk Road, Jaipur-302015

**Sd/-  
Bhavyata Soni  
(COMPANY SECRETARY)**

**DIRECTOR'S REPORT**

To,  
The Members,

Your Directors are delighted in presenting the Twenty Fourth Annual Report on the business and operations of your Company together with Audited Annual Accounts and Cash Flow Statement for the year ended on 31st March, 2013.

**1. FINANCIAL RESULTS**

	(₹ in Lacs)	
	<u>For the year ended on</u>	
	<u>2012-2013</u>	<u>2011-2012</u>
Professional Receipts & Other income	1286.71	1349.91
Profit before interest, Depreciation & Tax	230.97	215.22
Less : Interest	<u>90.50</u>	<u>108.24</u>
Operating Profit	<b>140.47</b>	<b>106.98</b>
Less: Depreciation	<u>59.67</u>	<u>60.95</u>
Net Profit before Tax	<b>80.80</b>	<b>46.03</b>
Less: Provision for Taxation		
Current Tax	23.77	12.55
Deferred Tax (Net)	<u>1.65</u>	<u>1.84</u>
Net Profit After Tax	<b>55.38</b>	<b>31.64</b>
Add: Profit brought forward from Previous Year	115.63	83.99
Surplus carried forward to Balance Sheet	<u><b>171.01</b></u>	<u><b>115.63</b></u>

**2. REVIEW OF OPERATION:**

Inspite of the stiff competition in the medical industry affecting the operations of your Company, your Company has performed satisfactorily by maintaining almost same profit level of the previous year before Interest, Depreciation and Taxes. Further your Company has been continuously making efforts to enhance the operations and also trying to hold its grip over upcoming opportunities in Medical & Health Industry. Net Profit after Tax has been increased by 75.03% as compared to the last year.

**3 DIVIDEND:**

In view of marginal funds, the Board of Directors doesn't recommend payment of dividend for the year under review.



## SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

2012-2013

### 4 DISCLOSURE OF MATERIAL CHANGES SINCE THE DATE OF BALANCE SHEET :

There is no material changes since the date of Balance Sheet regarding

- (a) Disposal of a substantial part of undertaking
- (b) Changes in Capital Structure of the Company
- (c) Serious break down
- (d) Alteration in wage structure arising out of trade union negotiations
- (e) Providing medical and health services.

### 5. DISCLOSURE OF COMPOSITION OF THE AUDIT COMMITTEE:

The constitution of audit committee is in confirmation with the requirements of Section 292(A) of the Companies Act, 1956 and also as per the requirements of Clause 49(II) (A) of the listing agreement. The Audit Committee of the Company consists of 5 Directors : Shri. Ganpat Rai Sharma, Shri. Ashok Agarwal, Shri. Subhash Chand Jain, Shri Madhur Krishna Khaitan and Mrs. Avani Kanoi all being Non-Executive. The Committee is chaired by Shri. Ashok Agarwal an Independent Director. All the members of the audit committee are financially literate and majority of them are having accounting or related financial management expertise.

### 6. OUTLOOK FOR 2013-14 :

The Company can look back with satisfaction at the last year performance as being ever improving. The Company is working towards sustaining this momentum in the current year also. During the year under review the hospital unit re-equipped with all latest facility with available high-tech equipments and expertise of all the specialties and maintained high quality service and status in the line. Your Company is running a successful Cardiac Department through JAIPUR HEART INSTITUTE. But the vision of management does not stop here itself. Constant exploration of new medical services, introduction of Hi-tech equipments which will benefit the patients would certainly drive the growth in the coming years. The Nursing College also started M.Sc nursing batch and only two colleges are recommended by the Rajasthan Government to provide the masters degree in nursing and one of them is our college.

### 7. ATTACHMENT OF THE COMPLIANCE CERTIFICATE OBTAINED FROM A COMPANY SECRETARY IN PRACTICE:

Your Company has employed a whole time Company Secretary. So company doesn't require to obtain Compliance Certificate from a Company Secretary in Practice.

### 8. FIXED DEPOSITS:

Your Company has not accepted any deposit within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules made there under are not applicable to the Company.

### 9. COMMENTS ON RESERVATIONS, QUALIFICATIONS OR ADVERSE REMARKS GIVEN IN THE AUDITORS REPORT:

During the year under review, there was no audit qualification made by the Auditor in their Report on the Company's financial statements. The Company continues to adopt best accounting practices to ensure a regime of un-qualified financial statements.

### 10. CORPORATE GOVERNANCE:

The Company has implemented the Corporate Governance requirements. Management

Discussion and analysis and a report on compliance of Corporate Governance are enclosed as Annexure to the Director's Report.

**11. DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. Ashok Agarwal, Dr. Karan Sharma and Mr. Subhash Chand Jain, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

None of the Directors of the Company is disqualified for being appointed as Directors as specified in Section 274(1) (g) of the Companies Act, 1956.

**12. DIRECTOR'S RESPONSIBILITY STATEMENT U/S 217(2AA):**

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors based on the representation received from operating management confirm that:

- (i) In the Preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation to the material departures.
- (ii) Directors had in selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period.
- (iii) Directors had taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) Directors had prepared the Annual Accounts on a going concern basis.

**13. CONSERVATION OF ENERGY, TECHNOLOGY, FOREIGN EXCHANGE EARNINGS AND OUT GO:**

Since the Company is engaged in medical service sector and has no activity pertaining to manufacturing hence furnishing of details pertaining to Conservation of Energy and Technology Absorption are not applicable as required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988. There were no foreign exchange earnings and outgoing during the year.

**14. AUDITORS AND AUDITOR'S REPORT:**

M/s Gopal Sharma and Company, Chartered Accountants, the statutory auditor of the Company holds office until the conclusion of the ensuing Annual General Meeting. The Observation and comments given by the Auditor in their report together with notes to Accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

The Board on the recommendation of the Audit Committee had proposed that M/s Gopal Sharma & Co., Chartered Accountants, Jaipur be re-appointed as the Statutory Auditors of the Company and to hold office till the conclusion of the next Annual General Meeting of the Company. M/s Gopal Sharma & Co., Chartered Accountants, Jaipur have forwarded their certificate to the

Company, stating that their re-appointment, if made, will be within the limit specified in that behalf in Sub-Section (1B) of the Section 224 of the Companies Act, 1956.

**15. PARTICULAR OF EMPLOYEES :**

The Company has not paid any remuneration attracting the provisions of Companies (Particulars of Employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.

**16. REPORTS ON PROJECTION MADE IN OFFER DOCUMENTS FOR PUBLIC OR RIGHT ISSUE BY A LISTED COMPANY :**

During the year under review Company had not issued any offer document.

**17. REPORT OF THE UTILIZATION OF PROCEEDS ON THE PUBLIC, RIGHT ISSUE AND PREFERENTIAL ALLOTMENT OF SECURITIES**

During the year under review Company had not come up with any public, right and preferential allotment.

**18. DISCLOSURE FOR FAILURE TO COMPLETE BUY-BACK WITHIN TIME :**

During the year under review Company had not dealt with any Buy back proposal.

**19. DISCLOSURE FOR ISSUANCE OF SWEAT EQUITY SHARES :**

During the year under review Company had not issued any Sweat Equity Shares.

**20. ACKNOWLEDGEMENT**

The Board expresses its grateful thanks for the assistance and co-operation extended by Punjab National Bank & other Banks, various departments of State & Central Government and other Associations.

Your Directors wish to convey their gratitude and appreciation to all employees of the Company for their valuable contribution during the year. They also wish to place on record their appreciation to the Company's Customers, Investors, Shareholders, Bankers, Suppliers, Distributors and other business associates for their cooperation and support.

Last but not the least Directors wish to place on records their deep sense of appreciation for the devoted services of Consultant Doctors and entire Nursing Staff at all levels of the Company for its growth.

**BY THE ORDER OF THE BOARD**

Place : Jaipur  
Date : 13.08.2013

Sd/-  
(Dr. SHAILENDRA KR SHARMA )  
MANAGING DIRECTOR

Sd/-  
(GANPAT RAI SHARMA)  
CHAIRMAN

**Management Analysis & Discussions Report****1. Mission & Business Strategy**

The company is predominantly engaged in service activities related with the Medical & Health Sciences. The demand for sophisticated modern healthcare facilities is expanding very fast. With the ever expansive field of Medical Science and research the cult of health consciousness is spreading rapidly.

The company aims at providing wide range of medical services in the field of Health Industry. The objective is to offer best quality services to its customers at low costs and to achieve health growth and profitability. Your Company is committed to achieve its objective while ensuring high levels of ethical standards, professional integrity and regulatory compliances.

**2. Opportunity & Threats**

Your company has launched the S-ROM Modular Hip System, the most advanced artificial hip implant designed to reduce stiffness and thigh pain. The hospital is providing the service of Replacement surgery through the use of new and advance implant. As you all know that the company is first in the state of Rajasthan which performed 'Replacement Surgery'. Our specially designed state of Art operation theatre is first of its kind in Rajasthan. This theatre has total body exhaust system and 'Antistatic' flooring which makes it totally sterile. That's why the company became successful in getting reorganization from many reputed Govt. Bodies/Corporations/Banks and other private enterprises for the purpose of reimbursement of medical claims of their employees being treated at the hospital.

The threats are increasing competition in health industry and increase in power tariff under the cost, huge price discrimination and low per capital expenditure.

**3. Segment wise or Product wise performance**

Not applicable to our company.

**4. Outlook, Risks & Concerns**

The outlook of the Company remains positive. Jaipur Hospital is cautiously optimistic about its prospects in the coming years. The Company aims at providing high quality services and treatments to the patients and to provide them with greater satisfaction. For last couple of years

the company has taken a number of initiatives to re-structure and re-engineer the operation to enable the company to compete better in this profound competitive regime.

There are no major risks and concerns except the technology up gradation and increasing power tariff and growing competition. The company is guarding itself against these risks by laying down appropriate strategy which is to be supplemented by business plans and review mechanisms.

#### **5. Adequacy of Internal Control**

The Internal Controls are constantly upgraded based on internal audits and audit committees recommendations as also the perceived need to automate controls due to the increasing complexity of operations. These have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring economy in cost and efficiency of operations, proper recording and safeguarding of assets from unauthorized use or losses for maintaining proper accounting records and reliability of financial Information. The ERP (Enterprise Resource Planning) system has stabilized. Internal Controls relating to the Financial Reporting are being closely monitored and related systems and processes are being refined based on the recommendations from the audit Committee and statutory Auditors. The Internal Audit programmed focuses on Operational and Systems audit aiming at up gradation of controls to meet changing times and complex operating environment.

#### **6. Discussion on financial performance with respect to operational performance**

Jaipur Hospital has sustained its momentum on the profit path during the year ended 2012-13. The company's Professional and other receipts for the year ended March 31, 2013 is Rs. 1286.71 Lacs against Rs.1349.90 Lacs during previous year. The Net Profit before Depreciation, Interest and Tax has increased to Rs.230.95 Lacs against Rs.215.22 Lacs during the previous year. The provision for taxation for the current year is Rs. 23.77 lacs as compared to Rs.12.55 lacs for the previous year, the profit after tax for the year is Rs.57.03 lacs as against Rs. 33.48 lacs during the previous year.

#### **7. How Company Fared**

The Company has increased a profit of 75 percent in the Net profit before Taxes (NPBT) went up to Rs.80.80 Lacs from Rs.46.03 Lacs during the previous year.

#### **8. Human Resources Development/ Training**

The Company believes that employees are not the man power but they are resource for the Company. Employees can make the difference and it has been the company's continuous endeavour to make it one of the best places to work in. Your company's human resource

Philosophy is to establish and build a strong and performance driven culture with greater accountability and responsibility at all levels. To that extent the company views capability, combination of right people on the right jobs, supported by the right process, systems, structure and metrics. The HR department is working on NABH guidelines.

Company's Human Resources (HR) systems are focused towards developing wider perspectives in employees achieving organizational excellence and enhancing their contribution to meet organizational goals. The Company recognizes the need for continuous growth and development to its employees in order to provide greater job satisfaction and also to equip them to meet growing organizational challenges. Specific Human Resources efforts were undertaken during the year to strengthen Human Resources System and practices.

We are in the services industry. As such human resources become one of the most important resources and needs to be carefully nurtured. The management team of the Company is comprised of professional and marketing personnel.

During the year 103 employees joined us. As of 31st March, 2013, the company had 184 employees on its rolls of which 17 were resident doctors, 83 were nursing staff and 84 belong to other categories. During the year ended on 31st March, 2013 company had taken services of 36 consultant doctors.

## **9. Employment profile & Industrial Relations**

The employee relationship continues to be cordial and the company received full co-operation from employees at all levels. During the year measures for training, development, safety of the employees and environmental awareness received top priority of the management.

## **10. Capital Structure**

The authorized share capital of the company is Rs. 7.00 crore divided in 70 lacs equity shares of Rs. 10.00 each. The paid up capital is Rs.328.38 Lac divided into 32,83,800 equity shares of Rs.10/- each.

## **11. Depository System**

The ISIN No. allotted to the Company is INE465H01012. The company has also established the required connectivity with both the depositories through Beetal Financial and Computer Services Private Limited. Delhi, who are the Registrar and Share Transfer Agent for both the Physical and Demat Segments.

The equity shares of the Company can be held in electric form with any depository participant (DP) with whom the Members/Investors have their depository account.

**12. Cautionary Statement**

This report to the shareholders is in compliance with the corporate Governance standard incorporated in the listing agreement with the Stock Exchanges and as such cannot be construed as holding out for any forecast, projection, exception, invitation, offer, etc. within the meaning of applicable securities, laws and regulations.

Actual results may differ materially from those expressed or implied; significant factors that could make a difference to the operations include changes in Government regulations, tax regimes and other statutes and incidental factors.

**BY THE ORDER OF THE BOARD**

Place : Jaipur  
Date : 13.08.2013

Sd/-  
(Dr. SHAIENDRA KR SHARMA )  
MANAGING DIRECTOR

Sd/-  
(GANPAT RAI SHARMA)  
CHAIRMAN

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**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-2013**

Your company has been practicing the principles of good Corporate Governance, which comprise all activities that result in the control of the Company in a regulated manner, aiming to achieve transparent, accountable and fair management.

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all interactions with its stakeholders including shareholders, employees, Government, lenders and the society. The Company believes that all its operations and actions must serve the underlying goal of enhancing long-term shareholder value. In our commitment to practice sound governance principles, we are guided by the following core principles:

**1. Transparency**

To maintain the highest standard of transparency in all aspects of our interactions and dealing.

**2. Disclosures**

To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.

**3. Empowerment and Accountability**

To demonstrate the highest levels of personal accountability and to ensure that employees consistently pursue excellence in everything they do.

**4. Compliances**

To comply with all laws, rules and regulations applicable to the Company.

**5. Ethical conduct**

To conduct the affairs of the Company in an ethical manner.

**6. Stakeholder's interest**

To promote the interests of all stakeholders including customers, shareholders, employees, lenders, vendors and the community.

The Report on corporate Governance is pursuant to clause 49 of the listing agreement entered into with the Bombay Stock Exchanges and forms a part of the Report of the Board of Directors. The company has complied with the applicable requirements of the Clause 49 of the Listing Agreement.

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself to increase long-term Shareholder's value, keeping in view the needs and interests of all its Stakeholders. The Company is committed to transparency in all its dealing and places emphasis on business ethics.

The Company has always looked at good corporate Governance as a way of life, observing the highest level of ethics in all its dealings. The company attaches equal importance to both the ends-the result sought to be secured and methods used to achieve them. The company has always maintained its financial principles of corporate Governance that of integrity, transparency and fairness.



# SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

2012-2013

The company believes in effective policy of Corporate Governance must provide appropriate empowerment to the executive management. It must also create a mechanism of internal controls to ensure that the powers vested in the executive management are properly used with appropriate consideration and responsibility to fulfill the objectives of the company. The Board fully support and endorse corporate governance practices as per the provisions of the listing agreement as applicable from time to time.

The Corporate Governance structure in the company is based on an effective supervisory role of Board and the constitution of committees, comprising of Independent directors and chaired mostly by an Independent Director to overcome critical areas. The company is aiming at efficient conduct of the business in meeting its obligation to the shareholders.

## 2. BOARD OF DIRECTORS

### (a) Composition of the Board of Directors

The composition of Board is in accordance with the requirements set forth by clause 49 in this regard. The Directors possess experience in various fields that encompass Medical and Health, Law, Banking, Accounting and Finance. During the year, due to sadly demise of Mr. J.N.Pathak composition of the Board has been changed. Now the Board consists of 7 Directors which is a perfect combination of executive and Non Executive directors. The Chairman is Non Executive Director and the Managing Director is Executive Director and the Board consists of 4 Independent Directors.

Category	Name of Director	No. of Directors
Chairman Non-Executive	Mr. Ganpat Rai Sharma	1
Others Non-Executive, Independent	Dr. Ashok Agarwal Mr. Subhash Chand Jain Mr. Madhur Krishna Khaitan Ms. Avani Kanoi	4
Managing Director Executive	Dr. Shailendra Kumar Sharma	1
Other Executive Director	Dr. Karan Sharma	1
Total		7

Independent Directors as defined in Clause 49 of the Listing Agreement is one, who apart from receiving remuneration does not have any other material pecuniary relationship or transaction with the company, its promoters, management or its subsidiaries which in judgment of the Board may affect independence of the judgment of the directors and has not been an executive of the Company in the immediately preceding three financial years. The company has not had any pecuniary relationship or transaction with any of the Non-Executive Directors during the year under review.

### (b) Board Meeting

The board met Four times during the financial year 2012-13. The interval between any two successive meetings did not exceed four months. Board meetings were held on 28th May, 2012, 10th August, 2012, 5th November, 2012 and 13th February, 2013.

The information as required under Annexure 1A to clause 49 of the Listing Agreement is being

regularly placed before the Board. The Board also reviews the declaration made by the Managing Director and Executives of the Company regarding compliance with all laws applicable to the Company on a quarterly basis.

Attendance of each Director at the Board of Directors Meeting during the year and at last Annual General Meeting, the number of Directorships and Committee memberships held by them in domestic public companies as at March 31, 2013 are as follows :

Name of Directors	Board Meeting		Whether attended AGM held on 27 <sup>th</sup> September, 2012	No. of Directorships in Domestic Public Companies (including the Company)		No. of Committee Memberships in Domestic Public Companies (including this Company)	
	Held	Attended		As Chairman	As Director	As Chairman	As Member
Sh. Ganpat Rai Sharma	4	4	YES	1	0	1	2
Dr. Shailendra Kr. Sharma	4	4	YES	-	1	-	1
Dr. Ashok Agarwal	4	3	YES	-	4	-	2
Late Shri J.N. Pathak	4	3	NO	-	1	-	0
Sh Subhash Jain	4	4	NO	-	1	-	3
Ms. Avani Kanoi	4	1	NO	-	1	-	2
Mr. Madhur Krishna Khaitan	4	4	NO	-	1	-	2
Dr. Karan Sharma	4	2	NO	-	1	-	-

### (c) Information supplied to the Board among others

The Board has complete access to all information with the company, inter alia, the following information provided to the Board as a part of the agenda papers well in advance of Board Meeting and are tabled in the course of the Board Meeting:

1. Review of annual operating plans of business, capital budget, updates
2. Quarterly results of the Company
3. Any issue which involves possible public liability claims of a substantial nature
4. Significant development in the human resource and industrial relation fronts
5. Sale of material nature of investments and assets which is not in the normal course of the business.
6. Non-compliance of any such regulatory or statutory provision or listing requirements as well as shareholders services, such as delay in share transfer and other grievances.

The Board has established procedures to enable the Board to periodically review compliances reports of all laws applicable to the company prepared by the company as well as steps taken by the company to rectify instances of non-compliances

### 3. AUDIT COMMITTEE-

The constitution of audit committee is in confirmation with the requirements of section 292(A) of the Companies Act, 1956 and also as per the requirements of Clause 49(II) (A) of the listing agreement. During the year, due to sadly demise of Mr. J.N.Pathak composition of the Audit Committee has been changed. Now the Audit Committee of the Company consists of 5 Directors:

## SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

**2012-2013**

Shri. Ganpat Rai Sharma, Shri. Ashok Agarwal, Shri. Subhash Chand Jain, Shri. Madhur Krishna Khaitan and Mrs. Avani Kanoi all being Non-Executive. The Committee is chaired by Shri. Ashok Agarwal an Independent Director and Ms. Bhavyata Soni is nominated as Company Secretary. All the members of the audit committee are financially literate and majority of them are having accounting or related financial management expertise.

The Audit Committee functions with following objectives:

1. To provide directors and oversee comprehensively the operation of internal and external audit functions and provides financial reporting.
2. To review the internal control systems with special emphasis on the accounting system, its quality and its effectiveness in the terms of follow up.
3. To recommend appointment, removal and remuneration of Statutory Auditors
4. To discuss with the Statutory Auditors, Internal Auditor and finalization of Annual Accounts.
5. To review the Company's quarterly working results, annual working results, other financial and risk management policies.

Terms of reference and powers of committee include the areas/powers prescribed by clause 49 of the listing agreement of the Stock Exchange.

The Audit Committee met four times during the financial year 2012-13 on 28th May, 2012, 10th August, 2012, 5th November, 2012, and 13th February, 2013. No member was absent from the Committee Meeting without taking leave of absence.

Dr. Shailendra Kumar Sharma, Managing Director was present at the meetings of the Audit Committee. Statutory Auditors are invited to the meetings. The Company Secretary acts as the Secretary of the Audit Committee.

#### **4. SHAREHOLDER/INVESTORS GRIEVANCE COMMITTEE-**

At present the committee consists of Shri. Subhash Jain and Mrs. Avani Kanoi while due to sad demise of Mr. J.N. Pathak in January, now the committee members are the above two members. The Committee was chaired by Mr. J. N. Pathak an Independent Director. During the Financial Year 2012-13, the committee met two times on 1st May, 2012 & 01st October, 2012.

#### **5. REMUNERATION COMMITTEE-**

The remuneration committee has been constituted to recommend/review the remuneration package of the Managing Director and Directors based on industry benchmarks, the company's performance and responsibility shouldered, performance track record of the Managing/Executive Directors, macroeconomic review on remuneration.

The Composition of the Remuneration Committee is as follows:

1. Shri. Subhash Jain
2. Dr. Ashok Agarwal
3. Shri. Ganpat Rai Sharma
4. Mr. Madhur Krishna Khaitan

No Meeting was held during the year.

#### **6. SHARE TRANSFER COMMITTEE:**

The Share Transfer Committee has been constituted to avoid delays in Share Transfer Process. The Composition of the Committee is as follows:

1. Shri. Ganpat Rai Sharma

2. Shri.Subhash Jain
3. Dr.Shailendra Kumar Sharma

During the year for Transmission of Shares, Committee members met on 24th November, 2012 and on 16th January, 2013 and Transmission has been done without any delay.

## 7. GENERAL BODY MEETINGS

- i) Details of location of last three Annual General Meetings of the Company are given below:

Nature of Meeting	Date	Venue	If Special Resolution Passed
Annual General Meeting	29.09.2010	Sharma Agriculture Farm, Takia Ki Chowki, Kalwad Road Jaipur	Yes
Annual General Meeting	29.09.2011	Sharma Agriculture Farm, Takia Ki Chowki, Kalwad Road Jaipur	No
Annual General Meeting	27.09.2012	Sharma Agriculture Farm, Takia Ki Chowki, Kalwad Road Jaipur	No

- ii) No resolution through postal ballots was put through during last three years and as of now there is no proposal pending for passing any resolution through Postal Ballot at the ensuing Annual General Meeting.
- iii) No Extra Ordinary General Meeting was held during the financial year

## 8. DISCLOSURES:

- (a) **Related Party Transaction :** During the year under review, besides the transaction reported as specified in Accounting Standard-18 issued by the Institute of Chartered Accountants of India in the Notes to the Accounts, there are no other material related party transaction of the Company with its Promoters, Directors or the management and their relatives. These transactions do not have any potential conflict with the interest of the Company at large. The material related party transactions are placed before the audit committee and Board of Directors periodically. Further there are no material individual transactions that are not in normal course of business or not on an arm's length business.
- (b) **Disclosure of Accounting Treatment :** The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any accounting standard.
- (c) **Risk Management :** The Risk Management of the Company is overseen by the Senior Management and the Directors at various levels :

**Business Risk :** The Board oversees the Risks which are inherent in the business pursued by the Company. The intervention is through business plans and projects and policies.

**Operational Risk :** These are being mitigated by internal policies and procedures

**Financial Risk :** Theses risks are addressed on an ongoing basis by internal control systems and Accounts department. The ERP implementation has helped in automation of controls and

# SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

2012-2013

exceptional reporting. Internal Controls are being continuously reviewed for effectiveness by internal and statutory auditors.

- (d) **Disclosure by Senior Management** : Senior Management has made disclosure to the Board relating to all material financial and commercial transaction stating that they did not have personal interest, that could result in a conflict with the interest of the Company at large.
- (e) **CEO/CFO Certification** : The Managing Director has certified to the Board in accordance with the Clause 49(v) of the Listing Agreement pertaining to CEO/CFO certification for the Financial Year ended March 31st,2013 which is annexed hereto.
- (f) **Details of Non-Compliance** : There have been no instances of non-compliance on any matter with the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other Statutory Authority.
- (g) **Secretarial Audit** : Pursuant to SEBI (Depositories and Participants) Regulation 1996 a qualified Chartered Accountant carried out the secretarial Audit to reconcile the total admitted capital with the National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The Audit confirms the total issued/paid up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL & CDSL.

Pursuant to clause 47(c) of the Listing Agreement with the Stock Exchange, certificate on half yearly basis, have been issued by a Company Secretary in practice for due compliance of share transfer formalities by the Company.

## 9. MEANS OF COMMUNICATION:

- Half Yearly report sent to each household : The quarterly unaudited financial results are of shareholders published in the News papers, as required under listing agreement.
- Quarterly results : -do-
- Website, where results are posted : Yes the Company posted.
- Website for investor complaints : Pursuant to the amended listing Agreement with the Stock Exchange Clause 47(f) has been inserted for an exclusive e-mail ID for redressal of Investor Grievances. Accordingly, the Company has created an exclusive ID Sharma4gr@gmail.com for this Purpose
- Newspapers in which results are normally published : Nafa Nuksan and Financial Express
- Whether Management Discussion and Analysis is a part of the Annual Report : Yes
- Quarterly/Half yearly/Annual results are communicated through newspaper circulating at national & regional level. The Company upload the same on website.

**10. GENERAL SHAREHOLDER INFORMATIONS:**

AGM: Date, Time Venue	- Friday, September 27th 2013 at 3.00 p.m. At Sharma Agriculture Farm, Takia Ki Chowki, Kalwad Road, Jhotwara, Jaipur
Financial Year	- April 1, 2012 to March 31, 2013.
Directors seeking reappointment	- As required under clause 49(IV) (G), particulars of Directors seeking reappointment are given in the Annexure to the Notice of the Annual General Meeting to be held on September 27, 2013.
Book Closure Date	- 20th September 2013 to 27th September, 2013
Dividend	- In view of Marginal profit during the year under review, the Board of Directors decided not to recommend any dividend on the Equity Shares of the Company.
Financial Calendar Period	- Board Meeting to approve quarterly financial results
- Quarter ending June 30th, 2012	- On 10th August, 2012
- Quarter ending September 30th, 2012	- On 5th November, 2012
- Quarter ending December 31st, 2012	- On 13th February, 2013
- Quarter ending March 31st, 2013	- On 30th May, 2013
Registered Office of the Company	- Jaipur Hospital, Near SMS Stadium, Lal Kothi, Jaipur
Listing of Equity Shares on Stock Exchange	- Bombay Stock Exchange Phiroze Jeejeebhoy Towers Dalai Street, Fort Mumbai-400001
Listing Fees	- Listing fees as prescribed have been paid to the Stock Exchange upto March, 2013
Stock Code	- Bombay Stock Exchange Limited-514548
ISIN No. of the Company's Equity Shares	- INE465H01012
Share Registrar and Share Transfer Agent	Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd Floor, 99 Madangir Behind Local Shopping Centre, Near Dada Harsukhdas Mandir New Delhi-110062

**Share Transfer System :** The authority for transfer of Shares in physical form has been delegated by the Board to its Share Transfer Committee to facilitate speedy service to the Shareholders. Shares sent in physical form are registered by the Registrar and Share Transfer Agent (RTA) within one month of the receipt of the documents, if found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are processed, if found in order and confirmation is given to the respective depositories i.e. National Securities Depository Ltd (NSDL) and Central Depository Services Limited (CDSL).

# SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

2012-2013

## DISTRIBUTION OF SHARES ACCORDING TO SIZE, CLASS AND CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2013

No of Equity Shares Held	No. of Shareholders	Percentage	No. of Shares	Percentage
1-5000	3,534	95.18	5,47,900	16.68
5001-10000	113	3.04	1,08,500	3.30
10001-20000	29	0.78	44,600	1.36
20001-30000	3	0.08	7,400	0.22
30001-40000	-	-	-	-
40001-50000	5	0.13	25,000	0.76
50001-100000	4	0.11	24,800	0.76
100000 & above	25	0.67	25,25,600	76.92
<b>Grand Total</b>	<b>3713</b>	<b>100</b>	<b>32,83,800</b>	<b>100</b>

### • SHAREHOLDING PATTERN AS ON MARCH 31, 2013

Category	No. of Shares	Percentage of Holding
A1 Promoters Holding		
-Indian Promoters	17,61,200	53.63
-Foreign Promoters	-	-
2 Person Acting in Concert	-	-
Sub Total (1)	17,61,200	53.63
B Non Promoters Holding		
3 Institutional Investor		
a. Mutual Funds & UTI	-	-
b. Banks, Financial Institutions, Insurance Companies	-	-
(Central/ State Govt./Non Govt. Institutions)	-	-
c. FIs	-	-
Sub Total (2)	-	-
2 Others		
a. Private Corporate Bodies	4,22,300	12.86
b. Indian Public	11,00,300	33.51
c. NRIs/ OCBs	-	-
d. Any Other	-	-
Clearing Member		
Sub Total (3)	15,22,600	46.37
<b>GRAND TOTAL</b>	<b>32,83,800</b>	<b>100.00</b>

Note : No. of Shares pledged - NIL

• **TOP TEN SHAREHOLDERS OF THE COMPANY**

S.No.	Name of the Shareholders	Total No. of Shares	Percentage of Shareholding
1	DR.SHAILENDRA KR.SHARMA	412200	12.55
2	MRS.MAYA SHARMA	160800	4.89
3	MR.BRIJ MOHAN SHARMA	62000	1.88
4	SHARMA NURSING HOME & BONE HOSPITAL (P) LTD	183900	5.60
5	SHARMA HOSPITALS (P) LTD	670400	20.41
6	KSHITIJ ENTERPRISES (P) LTD	150700	4.58
7	GANPATI PLAST FAB (P) LTD.	290900	8.86
8	T.C.I.BHORUKA PROJECT LTD	100000	3.05
9	MRS.MADHULIKA SHARMA	83800	2.55
10	MRS.MANISHA AGARWAL	60000	1.83

**DEMATERIALIZATION OF EQUITY SHARES AND LIQUIDITY**

The Company's shares are traded only in Bombay Stock Exchange Ltd. To facilitate trading in dematerialized form the company has tied up arrangements with both the present depositories, National Securities Depositories Limited and Central Depository Services Limited (CDSL). Shareholders can open account with any of the depository participants registered with any of these depositories. As on 31st March, 2013 about 0.79% of the Company's Shares were held in dematerialized form.

**ADDRESS FOR CORRESPONDENCE:**

Sharma East India Hospitals & Medical Research Limited  
Jaipur Hospital  
Lal Kothi, Near S.M.S.Stadium  
Tonk Road, Jaipur-302015  
Tei: 91-141-2742266/2742619/2741465 Fax No.91-141-2742472  
Email: jaipurhospital\_lalkothi@rediffmail.com

**11. NON MANDATORY REQUIREMENTS:**

The status of compliance of Non-Mandatory requirements under clause 49:

- The Board :** No separate office is maintained for Non-Executive Chairman. Further, all expenses incurred in the performance of duties by the Non-Executive Chairman are reimbursed.
- Remuneration Committee:** The Board has constituted Remuneration Committee to recommend appointment/re-appointments of Managing Director and Whole-Time Directors and to recommend/review remuneration of Managing Director, Whole-Time Directors and other key officers.  
Remuneration Committee comprises of four Non-Executive Directors.
- Shareholders Communication :** The Company at present has not adopted the non mandatory requirements in regard to sending half yearly financial results to the shareholders at the residence. Beside this the financial results are published in newspaper having wide circular in Rajasthan.
- Whistle Blower Policy :** The Company does not have any Whistler Blower Policy.
- Audit Qualifications:** During the year under review, there was no observation made by the Auditors in their Report on financial statements. The Company continues to adopt best



practices to ensure a regime of un-qualified financial statements.

6. **Training of Board Members:** The Board of Directors of Company is mainly comprised of professionals with expertise in their respective fields and industry. They endeavor to keep themselves updated with the changes in the national and global economy and legislation.
7. **Mechanism for Evaluating Non-Executive Board Members:** Company has not adopted a policy for evaluation of Non-Executive Board Members.

**For Sharma East India Hospitals  
& Medical Research Ltd.**

Place: Jaipur  
Date: 13.08.2013

Sd/-  
(Dr. SHAIENDRA KUMAR SHARMA )  
MANAGING DIRECTOR

Sd/-  
(GANPAT RAI SHARMA)  
CHAIRMAN

**CEO/CFO Certification**

To,  
The Board of Directors,  
Sharma East India Hospitals & Medical Research Limited.

I, Dr. Shailendra Kumar Sharma, Managing Director certify that:

- (A) I have reviewed the financial statements and the cash flow statement for the year ended March 31, 2013 and that to the best of my knowledge and belief
- (I) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
  - (II) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (B) There are, to the best of my knowledge and "belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
- (C) I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have take or propose to take to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit Committee that:
- (I) There has not been any significant change in internal control over financial reporting during the year under reference;
  - (II) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - (III) There has not been any instance during the year of significant fraud of which I had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place: Jaipur**  
**Date: 13.08.2013**

**Sd/-**  
**Dr. SHAIENDRA KUMAR SHARMA**  
**(MANAGING DIRECTOR)**

**SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED****2012-2013****Auditor's Certificate on Corporate Governance**

To,  
**The Members of Sharma East India  
Hospitals & Medical Research Limited**

We have examined the compliance of conditions of Corporate Governance by Sharma East India Hospitals & Medical Research Limited, for the year ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchanges.

The compliances of the conditions of Corporate Governance are the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certificate of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We stated that no investor grievance is pending for a period exceeding one month against the Company as at March 31, 2013 as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance to the further visibility of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **GOPAL SHARMA AND COMPNAY**  
CHARTERED ACCOUNTANTS

Sd/-

**(VIRENDRA BHURAT)**  
PARTNER

Membership No. 071964

Firm Registration No. 002803C

Place: Jaipur  
Date: 13.08.2013

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**INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
Sharma East India Hospitals & Medical Research Limited**

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of **SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LTD** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. The Company's Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of the section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

6. *In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*

- a) In the case of Balance Sheet, of the State of affairs of the company as at March 31, 2013;
- b) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of the Section 227 of the Act, we give in the Annexure a statement on the matters specifies in paragraph 4 and 5 of the order.
8. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of accounts as required by law, have been kept by the company so far as it appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement comply with the Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the directors, as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as director in terms of clause (g) of sub-section (1) Section 274 of the Companies Act, 1956.

**Place: Jaipur**  
**Date: 30-05-2013**

**GOPAL SHARMA AND COMPANY**  
**CHARTERED ACCOUNTS**

**Sd/-**

**(VIRENDRA BHURAT)**

**PARTNER**

**Membership No. 071964**

**Firm Registration No. 002803C**

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)**

1.
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, the fixed assets have been physically verified by the Management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its fixed assets. No Material discrepancies were noticed on such physical verification.
  - (c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
  
2.
  - (a) The management has conducted physical verification of inventory at reasonable intervals.
  - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of the inventory and no material discrepancies were noticed on physical verification.
  
3. As informed to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from the Companies, firms or other related parties covered in the register maintained under section 301 of the Companies Act, 1956 and as such clause (iii) (a) to (iii) (g) are not applicable.
  
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and sale of services. During the course of our audit, no major weakness has been noticed in the internal controls.
  
5. In respect of transactions covered under section 301 of the Companies Act, 1956:
  - (a) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered into the register under section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanation given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs 500000/- or more in respect of any party.

**SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED****2012-2013**

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6. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public and therefore provisions of section 58A and 58AA of the Companies Act, 1956 and rules there under are not applicable on the Company.
  7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
  8. We are informed that the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
  9. According to the information and explanation given to us in respect statutory dues:
    - (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor education Protection Fund, Employees State Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities.
    - (b) There are no undisputed amounts payable in respect of Provident Fund, Investor education Protection Fund, Employees State Insurance Act, Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, Cess and other material statutory dues in arrears as on 31st March, 2013 for a period exceeding six months from the date they become payable.
  10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in immediately preceding financial year.
  11. As per books and records maintained by the Company and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions and banks.
  12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other security.
  13. In our opinion the Company is not a Chit Fund or a Nidhi or Mutual Fund/Societies. Therefore the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
  14. The Company has maintained proper records of transactions and contracts in respect of trading in securities and other investments and timely entries have been made therein. All Shares and other investments have been held by the company in its own name.
  15. According to the information and explanation given to us, the Company has not given any guarantees for loans taken by others from Banks and Financial Institutions.
  16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which loans were obtained.
  17. According to the Cash Flow Statements and records examined by us and according to the

information and explanations given to us, on overall basis, funds raised on short term basis have , prima facie, not be used during the year for long term purpose and vice versa.

18. The Company has not made any preferential allotment of shares to parties or companied covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not issued debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

**GOPAL SHARMA AND COMPANY  
CHARTERED ACCOUNTS**

Sd/-

**(VIRENDRA BHURAT)  
PARTNER**

**Membership No. 071964**

**Firm Registration No. 002803C**

**Place: Jaipur  
Date: 30-05-2013**



**SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED****2012-2013****BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013**

<b>PARTICULARS</b>	<b>NOTE NO.</b>	<b>Amt. in Rupees 31.03.2013</b>	<b>Amt. in Rupees 31.03.2012</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	41,574,750.00	41,574,750.00
(b) Reserves & Surplus	4	17,101,708.00	11,563,978.00
<b>(2) Non Current Liabilities</b>			
(a) Long-term Borrowings	5	61,177,685.00	89,660,891.00
(b) Deferred-tax Liabilities (Net)	6	2,723,265.00	2,557,970.00
(c) Other Long Term Liabilites	7	8,115,277.00	31,710,262.00
<b>(3) Current Liabilities</b>			
(a) Trade Payables	8	2,694,619.00	3,099,255.00
(b) Other Current Liabilities	9	30,650,486.00	18,898,973.00
<b>TOTAL</b>		<b><u>164,037,790.00</u></b>	<b><u>199,066,079.00</u></b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	10	76,790,153.00	79,258,277.00
(b) Non-current Investments	11	7,929,047.00	18,830,490.00
(c) Long-Term Loans & Advances	12	3,755,549.00	41,346,483.00
(d) Other non-current assets	13	16,142,412.00	11,609,084.00
<b>(2) Current assets</b>			
(a) Inventories	14	1,481,211.00	854,395.00
(b) Trade receivables	15	3,475,968.00	4,816,306.00
(c) Cash and cash equivalents	16	11,074,501.00	14,869,595.00
(d) Short-term loans and advances	17	35,295,066.00	14,145,901.00
(e) Other current assets	18	8,093,883.00	13,335,548.00
<b>TOTAL</b>		<b><u>164,037,790.00</u></b>	<b><u>199,066,079.00</u></b>
Significant Accounting Policies	1		
Notes to Accounts	2		
The accompanying Notes 1 to 23 are an integral part of the financial statements			

As per our report of even date  
**FOR GOPAL SHARMA & COMPANY**  
CHARTERED ACCOUNTANTS

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**Sd/-**  
**(VIRENDRA BHURAT)**  
PARTNER

**Sd/-**  
**(BHAVYATA SONI)**  
COMPANY SECRETARY

**Sd/-**  
**(GANPAT RAI SHARMA)**  
CHAIRMAN  
**Sd/-**  
**(DR. SHAILENDRA KUMAR SHARMA)**  
MANAGING DIRECTOR

M.NO. 071964  
Firm Registration No. 002803C

Place: Jaipur  
Date: 30.05.2013

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

PARTICULARS	NOTE NO.	Amt. in Rupees 31.03.2013	Amt. in Rupees 31.03.2012
I. Revenue from operations	19	118,143,072.00	124,696,501.00
II. Other income	20	10,528,350.00	10,295,816.00
<b>III. Total revenue (I+II)</b>		<b><u>128,671,422.00</u></b>	<b><u>134,992,317.00</u></b>
IV. Expenses :			
Cost of materials consumed		12,966,250.00	15,272,627.00
Employee benefits expense	21	59,790,108.00	56,397,075.00
Finance costs	22	9,049,869.00	10,824,020.00
Depreciation		5,966,601.00	6,094,819.00
Other expenses	23	32,818,472.00	41,799,518.00
<b>Total Expenses(IV)</b>		<b><u>120,591,300.00</u></b>	<b><u>130,388,059.00</u></b>
<b>V. Profit before tax (III-IV)</b>		<b>8,080,122.00</b>	<b>4,604,258.00</b>
VI. Tax expense:			
(1) Current Tax		(2,377,097.00)	(1,255,048.00)
(2) Deferred Tax		(165,295.00)	(184,147.00)
<b>VII. Profit (Loss) for the year</b>		<b><u>5,537,730.00</u></b>	<b><u>3,165,063.00</u></b>
VIII. Earnings per equity share:			
(1) Basic		1.68	0.96
(2) Diluted		1.68	0.96
Significant Accounting Policies	1		
Notes to Accounts	2		

The accompanying Notes 1 to 23 are an integral part of the financial statements

As per our report of even date  
FOR GOPAL SHARMA & COMPANY  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-  
(GANPAT RAI SHARMA)  
CHAIRMAN

Sd/-  
(VIRENDRA BHURAT)  
PARTNER

Sd/-  
(BHAVYATA SONI)  
COMPANY SECRETARY

Sd/-  
(DR. SHAILENDRA KUMAR SHARMA)  
MANAGING DIRECTOR

M.NO. 071964  
Firm Registration No. 002803C

Place: Jaipur  
Date: 30.05.2013

**SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED****2012-2013****CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013****Amt. in Rupees**

	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX &amp; EXTRA ORDINARY ITEMS</b>	<b>8,080,122.00</b>	<b>4,604,258.00</b>
Adjustment for:		
Depreciation	5,966,601.00	6,094,819.00
Interest Paid	9,049,869.00	10,824,020.00
Profit on Sale of Fixed Assets	(5,139.00)	(66,289.00)
Interest received	(305,227.00)	0.00
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>22,786,226.00</b>	<b>21,456,808.00</b>
Adjustment For:(Increase)/Decrease		
Trade And Other Receivables	18,490,444.00	(2,213,782.00)
Inventories	(626,816.00)	31,477.00
Current Liabilities	(12,248,108.00)	791,859.00
<b>CASH GENERATION FROM OPERATIONS</b>	<b>28,401,746.00</b>	<b>20,066,362.00</b>
Taxes Paid (Net)	(2,377,097.00)	(1,255,048.00)
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	<b>26,024,649.00</b>	<b>18,811,314.00</b>
Extra Ordinary items	0.00	0.00
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>26,024,649.00</b>	<b>18,811,314.00</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(5,614,853.00)	(4,625,024.00)
Sale of Investment	10,901,443.00	0.00
Interest received	305,227.00	0.00
Sale of Fixed Assets (Net)	2,121,515.00	104,000.00
<b>NET CASH USED FOR INVESTING ACTIVITIES (B)</b>	<b>7,713,332.00</b>	<b>(4,521,024.00)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term Borrowing	(28,483,206.00)	3,519,031.00
Interest paid	(9,049,869.00)	(10,824,020.00)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(37,533,075.00)</b>	<b>(7,304,989.00)</b>

Amt. in Rupees

	As at 31.03.2013	As at 31.03.2012
<b>NET DECREASE/INCREASE IN CASH &amp; CASH EQUIVALENT (A+B+C)</b>	<b>(3,795,094.00)</b>	<b>6,985,301.00</b>
Cash & Cash Equivalent Opening Balance	14,869,595.00	7,884,294.00
Cash & Cash Equivalent Closing Balance	11,074,501.00	14,869,595.00
<b>Increase / Decrease</b>	<b>(3,795,094.00)</b>	<b>6,985,301.00</b>

As per our report of even date  
FOR GOPAL SHARMA & COMPANY  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-  
(GANPAT RAI SHARMA)  
CHAIRMAN

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(VIRENDRA BHURAT)  
PARTNER

Sd/-  
(BHAVYATA SONI)  
COMPANY SECRETARY

Sd/-  
(DR. SHAILENDRA KUMAR SHARMA)  
MANAGING DIRECTOR

M.NO. 071964  
Firm Registration No. 002803C

Place: Jaipur  
Date: 30.05.2013

**NOTE 1****SIGNIFICANT ACCOUNTING POLICIES****AS-1 Accounting Conventions:**

- (a) The accounts are prepared on Mercantile Basis under the historical cost convention in accordance with the provisions of the Companies Act, 1956 and materially comply with mandatory accounting standards issued by the Institute of Chartered Accountants of India. Except where otherwise stated, the accounting principles have been consistently applied.

(b) **Use of Estimates:**

The presentation of financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual result, estimates and recognized in the period in which the results are known/materialized.

**AS-2 Valuation of Inventories:**

As the Company has no manufacturing activities hence, inventories consists only consumables, stores etc, which are valued at cost, as certified by the Management.

**AS-3 Cash Flow Statement**

The Cash Flow Statement is prepared under "Indirect Method" and the same is annexed.

**AS-4 Contingencies and events occurring after the Balance Sheet Date**

No provision for Contingencies and events occurring after the Balance Sheet date was made, since no significant event occurred during the period.

**AS-5 Net profit or loss for the period, prior period items and changes in the Accounting policies**

There are no prior period debits and credits to the Statement of Profit and Loss.

**AS-6 Depreciation Accounting**

Depreciation on fixed assets has been provided on written down value (WDV) method in accordance with the provisions of Section 205(2) of the Companies Act, 1956 at the rates and in manner specified in Schedule XIV of the Companies Act, 1956.

In respect of the assets added/sold during the year, pro-rata depreciation has been provided at the rates prescribed under Schedule XIV.

**AS-7 Construction Contracts**

This Accounting Standard is not applicable.

**AS-8 Research and Development**

This Accounting Standard is not applicable.

**AS-9 Revenue Reorganization**

The income of the Company is derived from fees from patients. For IPD Patients revenue income is recognized at the time of discharge of patient. The revenue and expenditure are accounted on going concern basis.

**AS-10 Accounting for Fixed Assets**

All Fixed Assets are stated at historical cost less Depreciation.

**AS-11 Accounting for effects of changes in foreign exchange rates**

This Accounting Standard is not applicable.

**AS-12 Accounting for Government Grants**

The Company has not received any grants.

**AS-13 Accounting for Investments**

Investments are valued at cost.

**AS-14 Accounting for amalgamations**

During the year there was no amalgamation.

**AS-15 Accounting for Employees Benefits**

Liability in respect of retirement benefit are provided on the basis of monthly payment to ESI, pension and provident fund under the Employees Provident Fund (and miscellaneous provisions) Act, 1952 which are charged against revenue.

Liability in respect of future retirement gratuity is provided by annual contribution to Life Insurance Corporation under the Group Gratuity Scheme which has been charged against revenue.

Leave encashment benefit is provided on cash basis.

**AS-16 Borrowing Cost**

Borrowing Cost is recognized as expenses in the period in which they are incurred. No borrowing cost has been capitalized during the period since there were no qualifying assets of Accounting Standard-16 issued by the Institute of Chartered Accountants of India.

**AS-17 Segment Reporting**

As the Company's business activity falls within a single business segment the disclosure requirements of Accounting Standard (AS) 17-Segment reporting issued by the Institute of Chartered Accountants of India is not applicable.

**AS-18 Related Party Disclosure**

The following may be deemed to be considered as related parties in terms of Accounting Standard 18 issued by ICAI :-

- i) Sharma Hospital P. Ltd.
- ii) Sharma Nursing Home & Bone Hospital P .Ltd.
- iii) Maya Sharma
- iv) Dr. Pradeep Kr. Sharma
- v) Ganpat Rai Sharma

There is no related party transaction during the year except related key management personnel and relatives of such personnel.

## SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

**2012-2013**

### Key Management Personnel

	Rs. In Lakhs
Dr. Shailendra Kr. Sharma (Managing Director) Remuneration	24.00
Professional Fees paid	7.24
Salary paid to relative of Key Management Personnel:	
1. Maya Sharma (Wife) Salary	1.86
2. Pradeep Kr. Sharma (Brother) Salary	1.29
3. Ganpat Rai Sharma (Father) Rent	0.09
4. Monika Sharma (Brother's Wife)	1.26
5. Madhulika Sharma (Brother's Wife)	1.86
6. Rajesh Sharma (Sister's Husband)	0.90
7. Karan Sharma (Son) (Professional fees)	1.50
8. Dr. Shivani Khanna (Daughter in Law)	2.25

### AS-19 Accounting for Leases

The Company has not entered into any lease agreement during the year.

### AS-20 Earning Per Share

Net Profit for the year (Rs.)	55.38
No. of Equity Shares	32.83
Nominal Value of Shares	10
Earning Per Share (Rs.)	1.68

### AS-21 Consolidated Financial statements

This Accounting Standard is not applicable as the Company doesn't have any subsidiary or joint venture.

### AS-22 Accounting for taxes on income

The provision for tax for the year ended on 31st March, 2013 is made in accordance with the provisions of Income tax Act, 1961, since the provision for tax as per Section 115JB of Income Tax Act is less than the Income Tax Act, 1961, hence the provisions of Section 115JB is not applicable.

### Deferred Tax

The Deferred Tax for timing difference between the book and tax profit for the year is accounted for using tax rates and tax laws that have been enacted or substantially enacted at the Balance Sheet date.

The Deferred Tax Liability as at March 31, 2013 comprises of the following:

	(Rs. In Lakhs) <u>31.03.2013</u>	(Rs. In Lakhs) <u>31.03.2012</u>
(a) Deferred Tax Liability (DTL) (On account of Depreciation)	27.23	25.58
(b) Deferred Tax Assets (DTA)	NIL	NIL
(c) Net Deferred Tax Liability (NDTL) (A-B)	27.23	25.58
(d) Decrease/Increase in Net Deferred Tax Liability	1.65	1.84

### AS-23 Accounting for Investments in Associates

This Accounting Standard is not applicable.

**AS-24 Discontinuing operations**

During the year the Company has not discontinued any of its operations.

**AS-25 Interim financial reporting**

The Company has elected to publish its quarterly financial results which are subject to the limited review by the statutory auditor.

**AS-26 Accounting for Intangible Assets**

This Accounting Standard is not applicable.

**AS-27 Capital Commitments of reporting entity in Joint Venture**

This Accounting Standard is not applicable.

**AS-28 Impairment of Assets**

The Company has carried comprehensive exercise to assess the impairment loss of Assets, Based on such exercise, there is no impairment of Assets. Accordingly, no adjustment in respect of loss on impairment of Assets is required to be in the Accounts.

**AS-29 Provisions, contingent liabilities and contingent assets**

No provision for Contingencies and events occurring after the Balance Sheet Date was made. Since there is no contingent assets & liabilities.

**AS-30 Financial Instruments: Recognition and Measurement**

This Accounting Standard is not applicable.

**AS-31 Financial Instruments: Presentation**

This Accounting Standard is not applicable.

As per our report of even date  
FOR GOPAL SHARMA & COMPANY  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-  
(VIRENDRA BHURAT)  
PARTNER

M.NO. 071964

Firm Registration No. 002803C

Sd/-  
(BHAVYATA SONI)  
COMPANY SECRETARY

Sd/-  
(GANPAT RAI SHARMA)  
CHAIRMAN

Sd/-  
(DR. SHAILENDRA KUMAR SHARMA)  
MANAGING DIRECTOR

Place: Jaipur

Date: 30.05.2013



**Note 2****NOTES TO ACCOUNTS**

1. Income tax comprises current tax and deferred tax. The Current Income Tax is calculated in accordance with the provisions of Income Tax Act, 1961. Deferred Tax is calculated as per Accounting Standard-22.
2. In the Opinion of the Board of Directors and to the best of their knowledge and belief the value of realization of Current Assets, Loans & Advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
3. Provision of clause 4-C (a), 4-C (b), 4-C(c) of part-II of the schedule VI of the Companies Act, 1956 regarding the licensed capacity and installed capacity are not applicable to the company.
4. Provisions of clause 4-D of part-II of the schedule VI of the Companies Act, 1956 regarding the value of imports, expenditure incurred in foreign currency, amount of remittance in foreign currency on account of dividends, export earnings etc, are not given as all information required in the clauses are NIL.
5. Confirmation of Balance of Debtors, Creditors, Loans & Advances are subject to confirmation in some cases.
6. (a) As per Section 309 of the Companies Act, 1956 , Remuneration paid to Managing Director as per details given below:-  
(b) Managerial Remuneration includes

	Current Year	Previous Year
Salary(Rs. In Lakhs)	24.00	18.00
<b>TOTAL</b>	<b>24.00</b>	<b>18.00</b>
7. Auditor's Remuneration includes:

Audit Fees(Rs. In Lakhs)	2.02	1.99
<b>TOTAL</b>	<b>2.02</b>	<b>1.99</b>
8. Cash Flow Statement for the year ended on 31st March, 2013 is enclosed in the statement annexed to these accounts.
9. Figures have been rounded off to Rupees and previous year figures have been regrouped & rearranged whenever it is required.

**As per our report of even date  
FOR GOPAL SHARMA & COMPANY  
CHARTERED ACCOUNTANTS**

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**Sd/-  
(GANPAT RAI SHARMA)  
CHAIRMAN**

**Sd/-  
(VIRENDRA BHURAT)  
PARTNER**

**Sd/-  
(BHAVYATA SONI)  
COMPANY SECRETARY**

**Sd/-  
(DR. SHAILENDRA KUMAR SHARMA)  
MANAGING DIRECTOR**

**M.NO. 071964  
Firm Registration No. 0028203C**

**Place: Jaipur  
Date: 30.05.2012**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2013	Amt. in Rupees As at 31.03.2012
<b>NOTE 3</b>		
<b>(a) SHARE CAPITAL AUTHORISED</b>		
70,00,000 Equity Shares of Rs.10/- each	<u>70000000.00</u>	<u>70000000.00</u>
<b>(b) ISSUED</b>		
51,49,000 Equity Shares of Rs.10/- each	<u>51490000.00</u>	<u>51490000.00</u>
<b>(c) SUBSCRIBED &amp; PAID UP</b>		
32,83,800 Equity Shares of Rs.10/- each	32,838,000.00	32,838,000.00
<b>(d) FORFEITED SHARES (amount originally paid up)</b>	8,736,750.00	8,736,750.00
<b>TOTAL</b>	<u>41,574,750.00</u>	<u>41,574,750.00</u>
<b>(e) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year</b>		

	As at 31st March,2013		As at 31st March,2012	
	Number of Shares	Amount (In Rupees)	Number of Shares	Amount (In Rupees)
Opening and Closing Balances	3283800	32838000	3283800	32838000

**(f) Terms/right attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs.10 per share fully paid up. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive sale proceeds from remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(g) The details of shareholders holding more than 5% shares**

	As at 31st March,2013		As at 31st March,2012	
	Number of Shares Held	% of Shares	Number of Shares Held	% of Shares
Sharma Hospital Pvt. Ltd.	670400	20.42	670400	20.42
Shailendra Sharma	411700	12.54	411700	12.54
Ganpati Plast Fab Ltd.	290900	8.86	290900	8.86
Sharma Nursing Home & Bone Hospital Private Limited	183900	5.59	183900	5.59

**As per our report of even date  
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CHARTERED ACCOUNTANTS**

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

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CHAIRMAN

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**(VIRENDR BHURAT)**  
PARTNER

Sd/-  
**(BHAVYATA SONI)**  
COMPANY SECRETARY

Sd/-  
**(DR. SHAILENDRA KUMAR SHARMA)**  
MANAGING DIRECTOR

**M.NO. 071964**

**Firm Registration No. 002803C**

**Place: Jaipur**

**Date: 30.05.2013**

**SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED****2012-2013****NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2013	Amt. in Rupees As at 31.03.2012	
<b>NOTE - 4</b>			
<b>RESERVES &amp; SURPLUS</b>			
Profit & Loss Account			
Opening Balance as per last Balance Sheet	11,563,978.00	8,398,915.00	
Add: Profit during the year	8,080,122.00	4,604,258.00	
<b>TOTAL</b>	<b>19,644,100.00</b>	<b>13,003,173.00</b>	
Less: Tax Provision	(2,377,097.00)	(1,255,048.00)	
<b>TOTAL</b>	<b>17,267,003.00</b>	<b>11,748,125.00</b>	
Add: Deferred tax (Net)	(165,295.00)	(184,147.00)	
<b>TOTAL</b>	<b>17,101,708.00</b>	<b>11,563,978.00</b>	
<b>Non Current Liabilities</b>			
<b>NOTE 5</b>			
<b>(A) LONG TERM BORROWINGS</b>			
<b>(i) SECURED LOANS</b>			
From Banks	81,034,317.00	100,070,579.00	
Less:- Shown under short term			
Borrowings (refer Note NO. 9)	19,896,000.00	61,138,317.00	10555000.00
			<b>89,515,579.00</b>
<b>(ii) TERM LOANS</b>			
From Banks	131,144.00	442809.00	
Less:- Shown under short term Borrowings			
(refer Note NO. 9)	91,776.00	39,368.00	297497.00
		<b>61,177,685.00</b>	<b>145312.00</b>
			<b>89,660,891.00</b>
<b>Note 6</b>			
Deferred Tax Liabilities	2,723,265.00	2,557,970.00	
	<b>2,723,265.00</b>	<b>2,557,970.00</b>	

As per our report of even date  
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MANAGING DIRECTOR

M.NO. 071964  
Firm Registration No. 002803C

Place: Jaipur  
Date: 30.05.2013

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at		Amt. in Rupees	
Note 7	31.03.2013		31.03.2012	
<b>Other Long Term Liabilities</b>				
Advance from Patients	474,120.00		193,288.00	
Sundry Creditors for goods & expenses	582,425.00		628,327.00	
Other Liabilities	<u>7,058,732.00</u>	<u>8,115,277.00</u>	<u>30,888,647.00</u>	<u>31,710,262.00</u>
<b>Current Liabilities</b>				
<b>Note 8</b>				
<b>TRADE PAYABLES</b>				
Sundry Creditors for goods & expenses	1,056,709.00		1,228,844.00	
Advance from Patients	<u>1,637,910.00</u>	<u>2,694,619.00</u>	<u>1,870,411.00</u>	<u>3,099,255.00</u>
<b>Note 9</b>				
<b>Other current Liabilities</b>				
Current maturities of long term debt				
from Banks	19,987,776.00		10,852,497.00	
Other Payables	<u>10,662,710.00</u>	<u>30,650,486.00</u>	<u>8,046,476.00</u>	<u>18,898,973.00</u>

**Details of Security provided against Loans from Banks.**

- (a) Equitable mortgage Of Land and Building Of M/S SHARMA EAST INDIA HOSPITALS & MEDICALS RESEARCH LTD..(Hospital building) Situated at Lal Kothi, Jaipur.(Admeasuring 2126.75 SQ. Yards.)
- (b) EM Of Plot No. 1, Udai Nagar-B Gopalpura Bypass, Jaipur.(Admeasuring 373.33 SQ. Yards.)
- (c) EM Of Plot No.2, Udai Nagar-B Gopalpura Bypass, Jaipur.(Admeasuring 404.44 SQ. Yards.)
- (d) EM Of Plot No.3, Udai Nagar-B Gopalpura Bypass, Jaipur.(Admeasuring 373.33 SQ. Yards.)
- (e) EM Of Plot No.4, Udai Nagar-B Gopalpura Bypass, Jaipur.(Admeasuring 373.33 SQ. Yards.)
- (f) EM Of Plot No.23, Udai Nagar-B Gopalpura Bypass, Jaipur.(Admeasuring 576.00 SQ. Yards.)
- (g) EM Of Plot No.26, Udai Nagar-B Gopalpura Bypass, Jaipur.(Admeasuring 344.65 SQ. Yards.)
- (h) EM Of Residential House situated at Plot No.B-103, Janpath, Shyam Nagar, Jaipur.(Admeasuring 500.00 SQ. Yards.)
- (i) First Charge on all Block Assets of the Company (Present And Future), Plant & Machinery and all Current Assets of the Company
- (j) Collateral Security : Personal / Corporate Guarantee of Shri Ganpat Rai Sharma, Dr. Shailendra Kumar Sharma Directors of the Company and Smt. Maya Sharma and Smt. Madhulika Sharma.

As per our report of even date  
FOR GOPAL SHARMA & COMPANY  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-  
(GANPAT RAI SHARMA)  
CHAIRMAN

Sd/-  
(VIRENDRA BHURAT)  
PARTNER

Sd/-  
(BHAVYATA SONI)  
COMPANY SECRETARY

Sd/-  
(DR. SHAIENDRA KUMAR SHARMA)  
MANAGING DIRECTOR

M.NO. 071964  
Firm Registration No. 002803C

Place: Jaipur  
Date: 30.05.2013

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**FIXED ASSETS**

**Note 10**

Tangible Assets	GROSS BLOCK				DEPRECIATION				Net Block	
	As on 01.04.2012	Additions During the year	Deduction During the year	As on 31.03.2013	As On 01.04.2012	Addition During the year	Deduction During the year	As On 31.03.2013	As on 31.03.2013	As on 31.03.2012
Land	32,943,672.00	612,409.00	2,001,515.00	31,554,566.00	-	-	-	-	31,554,566.00	32,943,672.00
Building	32,211,279.00	-	-	32,211,279.00	18,788,938.00	671,117.00	-	19,460,055.00	12,751,224.00	13,422,341.00
Plant & Machinery	74,606,964.00	3,402,593.00	-	78,009,557.00	46,635,771.00	3,996,291.00	-	50,632,062.00	27,377,495.00	27,971,193.00
Furniture & Fixtures	9,118,848.00	1,047,971.00	-	10,166,819.00	6,236,932.00	623,206.00	-	6,860,138.00	3,306,681.00	2,881,916.00
Vehicle	4,644,202.00	-	639,686.00	4,004,516.00	2,906,958.00	429,660.00	524,825.00	2,811,793.00	1,192,723.00	1,737,244.00
Computers	1,967,874.00	551,880.00	-	2,519,754.00	1,665,963.00	246,327.00	-	1,912,290.00	607,464.00	301,911.00
<b>TOTAL</b>	<b>155,492,839.00</b>	<b>5,614,853.00</b>	<b>2,641,201.00</b>	<b>158,466,491.00</b>	<b>76,234,562.00</b>	<b>5,966,601.00</b>	<b>524,825.00</b>	<b>81,676,338.00</b>	<b>76,790,153.00</b>	<b>79,258,277.00</b>
Previous year	151,253,353.00	4,625,024.00	385,538.00	155,492,839.00	70,487,570.00	6,094,819.00	347,827.00	76,234,562.00	79,258,277.00	80,765,783.00

As per our report of even date  
FOR GOPAL SHARMA & COMPANY  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-  
(GANPAT RAI SHARMA)  
CHAIRMAN

Sd/-  
(VIRENDRA BHURAT)  
PARTNER

Sd/-  
(BHAVYATA SONI)  
COMPANY SECRETARY

Sd/-  
(DR. SHAILENDRA KUMAR SHARMA)  
MANAGING DIRECTOR

M.NO. 071964  
Firm Registration No. 002803C  
Place: Jaipur  
Date: 30.05.2013

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2013	Amt. in Rupees As at 31.03.2012
<b>Note 11</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>(i) IMMOVABLE PROPERTIES</b>		
Land at Kalwar Road, Jhotwara	4,782,557.00	15,684,000.00
<b>LONG TERM INVESTMENTS</b>		
<b>INVESTMENTS IN EQUITY INSTRUMENTS</b>		
<b>(i) UNQUOTED INVESTMENTS</b>		
2000 Equity Shares of Kshitij Enterprises (P) Ltd. @ 100/- each fully paid up (Valued at cost)	200,000.00	200,000.00
2000 Equity Shares of Sharma Nursing Home & Bone Hospital (P) Ltd. @ 100/- each fully paid up (Valued at cost)	200,000.00	200,000.00
4000 Equity Shares of Sharma Hospitals (P) Ltd. @ 100/- each fully paid up (Valued at cost)	400,000.00	400,000.00
4000 Equity Shares of Gaurav Sharma Enterprises (P) Ltd. @ 100/- each fully paid up (Valued at cost)	400,000.00	400,000.00
<b>TOTAL</b>	<b>1,200,000.00</b>	<b>1,200,000.00</b>
<b>(ii) QUOTED INVESTMENTS</b>		
2,90,900 Equity Shares @10/- each of Ganpati Plast Fab. Ltd. Fully Paid up (Valued at cost or Market Value Whichever is Lower)	1,946,490.00	1,946,490.00
<b>TOTAL</b>	<b>7,929,047.00</b>	<b>18,830,490.00</b>

- \* **Aggregate Face Value of Quoted Share of Ganpati Plast Fab.Ltd. Is Rs.29.09 Lacs and are listed but market value is not available.**
- \* **Aggregate Face Value of Un-Quoted Shares is Rs.12 Lacs.**
- \* **Above corporate bodies are not subsidiary, associates or joint ventures of the company.**

As per our report of even date  
FOR GOPAL SHARMA & COMPANY  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-  
(VIRENDRA BHURAT)  
PARTNER

Sd/-  
(BHAVYATA SONI)  
COMPANY SECRETARY

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(GANPAT RAI SHARMA)  
CHAIRMAN

Sd/-  
(DR. SHAILENDRA KUMAR SHARMA)  
MANAGING DIRECTOR

M.NO. 071964  
Firm Registration No. 002803C

Place: Jaipur  
Date: 30.05.2013

**SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED****2012-2013****NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2013	Amt. in Rupees As at 31.03.2012
<b>Note 12</b>		
<b>Long Term Loans &amp; Advances</b>		
Advance for Capital Expenditure	3,755,549.00	41,346,483.00
	<u>3,755,549.00</u>	<u>41,346,483.00</u>
<b>Note 13</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
Long Term Trade Receivables	4,613,146.00	3,193,046.00
Advance to Staff	2,716,777.00	2,715,762.00
Other Advances	8,789,948.00	5,379,715.00
Advance to Consultant Doctors	22,541.00	320,561.00
	<u>16,142,412.00</u>	<u>11,609,084.00</u>
<b>Note 14</b>		
<b>INVENTORIES</b>		
(i) Spare Parts & Stores (Certified by Management and Valued at cost)	1,481,211.00	854,395.00
	<u>1,481,211.00</u>	<u>854,395.00</u>
<b>Note 15</b>		
<b>TRADE RECEIVABLES</b>		
(i) Sundry Debtors (Un-secured and considered good)		
a) Outstanding for a period exceeding six months from the date they are due for payment.	853,077.00	1,577,453.00
b) Others	2,622,891.00	3,238,853.00
	<u>3,475,968.00</u>	<u>4,816,306.00</u>
<b>Note 16</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
(i) Cash In hand	897,697.00	683,015.00
(ii) With Schedule Banks in Current Accounts	10,176,804.00	14,186,580.00
	<u>11,074,501.00</u>	<u>14,869,595.00</u>

As per our report of even date  
FOR GOPAL SHARMA & COMPANY  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-  
(VIRENDRA BHURAT)  
PARTNER

Sd/-  
(BHAVYATA SONI)  
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(GANPAT RAI SHARMA)  
CHAIRMAN

Sd/-  
(DR. SHAILENDRA KUMAR SHARMA)  
MANAGING DIRECTOR

M.NO. 071964

Firm Registration No. 002803C

Place: Jaipur

Date: 30.05.2013

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2013	Amt. in Rupees As at 31.03.2012
<b>Note 17</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
(Un-secured and considered good)		
i) Advance for Capital Expenditure	35,295,066.00	14,145,901.00
	<u>35,295,066.00</u>	<u>14,145,901.00</u>
<b>Note 18</b>		
<b>OTHER CURRENT ASSETS</b>		
Advance to Staff	50,424.00	8,215.00
Other Advances	6,728,308.00	12,919,000.00
Advance to Consultant Doctors	1,315,151.00	408,333.00
	<u>8,093,883.00</u>	<u>13,335,548.00</u>
<b>Note 19</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>PROFESSIONAL RECEIPTS</b>		
Accommodation Charges	30,319,809.00	29,753,180.00
Admission Registration Charges	1,811,768.00	1,406,015.00
Consultation Charges	14,575,884.00	15,337,094.00
Investigation Charges	2,576,000.00	1,963,968.00
Lab Charges	11,392,873.00	12,612,042.00
Operation Charges	29,360,598.00	32,412,611.00
Other Miscellaneous Charges	12,761,993.00	11,750,902.00
X-Ray Charges	3,429,033.00	4,020,189.00
CT Scan Charges	1,565,379.00	1,489,747.00
EKG Charges	198,974.00	249,286.00
ECHO Charges	859,306.00	980,417.00
Sonography Charges	1,473,586.00	1,430,812.00
Holter Charges	7,800.00	6,250.00
Tee Charges	4,000.00	6,000.00
TMT Charges	48,050.00	98,055.00
Cath Lab Charges	7,758,019.00	11,179,933.00
	<u>118,143,072.00</u>	<u>124,696,501.00</u>

**As per our report of even date  
FOR GOPAL SHARMA & COMPANY  
CHARTERED ACCOUNTANTS**

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

Sd/-  
**(VIRENDRA BHURAT)**  
PARTNER

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**(GANPAT RAI SHARMA)**  
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Sd/-  
**(DR. SHAILENDRA KUMAR SHARMA)**  
MANAGING DIRECTOR

**M.NO. 071964**

**Firm Registration No. 002803C**

**Place: Jaipur**

**Date: 30.05.2013**



**SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED****2012-2013****NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2013	Amt. in Rupees As at 31.03.2012
<b>Note 20</b>		
<b>OTHER INCOME</b>		
Misc. Income	130,367.00	307,983.00
Conference Income	0.00	511,056.00
Profit on Sale of Fixed Assets	5,139.00	66,289.00
Professional Consultancy Charges	7,189,305.00	6,014,013.00
Rent Receivable	2,898,312.00	2,766,000.00
Interest Receivable	305,227.00	630,475.00
	<u>10,528,350.00</u>	<u>10,295,816.00</u>
<b>Note 21</b>		
<b>EMPLOYEES BENEFIT EXPENSES</b>		
Salary	28,641,795.00	26,938,639.00
Manual Labour Charges	6,134,196.00	5,490,554.00
Bonus	198,618.00	164,854.00
Employers Contribution to ESI	475,534.00	477,511.00
Employers P.F. Contribution	381,057.00	382,349.00
Gratuity	36,110.00	162,955.00
P.F. Adm. Charges	51,124.00	51,297.00
Security Expenses	2,057,663.00	1,951,918.00
Staff Welfare Expenses	1,381,036.00	1,072,741.00
Share Of Consultant doctors	20,432,975.00	19,704,257.00
	<u>59,790,108.00</u>	<u>56,397,075.00</u>
<b>Note 22</b>		
<b>FINANCE COST</b>		
<b>INTEREST</b>		
Interest on Line of Credit	9,017,385.00	10,757,604.00
Other Interest	32,484.00	66,416.00
	<u>9,049,869.00</u>	<u>10,824,020.00</u>

As per our report of even date  
FOR GOPAL SHARMA & COMPANY  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

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MANAGING DIRECTOR

M.NO. 071964  
Firm Registration No. 002803C

Place: Jaipur  
Date: 30.05.2013

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2013	Amt. in Rupees As at 31.03.2012
<b>Note 23</b>		
<b>OTHER EXPENSES</b>		
D.G.Set Oil, Petrol & Diesel	459,600.00	425,887.00
Electricity & Water Charges	5,466,928.00	4,970,115.00
Insurance Charges	120,367.00	162,241.00
Repairs & Maintenance(Other)	768,187.00	733,654.00
Repairs & Maintenance(P&M)	3,146,449.00	2,567,464.00
Repairs & Maintenance(Building)	1,377,045.00	905,837.00
Advertisement & Publicity	220,911.00	159,263.00
Audit Fees	202,248.00	198,540.00
Accommodation & Other Expenses	6,606,248.00	18,371,849.00
Bank Charges	56,101.00	80,774.00
Business Promotion Expenses	0.00	100,000.00
Conference Expense (Orthopeadic)	50,000.00	0.00
Consultancy Charges	125,000.00	0.00
Conveyance Charges	364,364.00	71,573.00
Director Sitting Fees	33,000.00	30,750.00
General Utility Item Consumed	613,999.00	684,519.00
Legal Expenses	326,221.00	837,622.00
Managerial Remuneration	2,400,000.00	1,800,000.00
Membership Fees	125,400.00	76,570.00
Miscellaneous Expenses	266,340.00	262,003.00
Pathological Consumables Consumed	3,494,146.00	2,968,510.00
Pathological Expenses	1,706,395.00	1,695,795.00
Printing & Stationery Consumed	900,702.00	913,064.00
Rent	129,000.00	161,200.00
Telephone, Postage & Telegram	529,836.00	482,031.00
Vehicle Running & Maintenance	131,509.00	128,511.00
Washing Charges	566,493.00	501,027.00
X-Ray Film Consumed	851,264.00	892,105.00
Bad Debts	164,653.00	317,886.00
CT Scan Expenses	1,333,733.00	1,244,318.00
House Tax A/c	0.00	56,410.00
Urban Development Tax	282,333.00	0.00
	<b><u>32,818,472.00</u></b>	<b><u>41,799,518.00</u></b>

**As per our report of even date  
FOR GOPAL SHARMA & COMPANY  
CHARTERED ACCOUNTANTS**

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

Sd/-  
**(VIRENDRA BHURAT)**  
PARTNER

Sd/-  
**(BHAVYATA SONI)**  
COMPANY SECRETARY

Sd/-  
**(GANPAT RAI SHARMA)**  
CHAIRMAN  
Sd/-  
**(DR. SHAILENDRA KUMAR SHARMA)**  
MANAGING DIRECTOR

**M.NO. 071964**

**Firm Registration No. 002803C**

**Place: Jaipur**

**Date: 30.05.2013**

*If undelivered Please Return to :*

**SHARMA EAST INDIA HOSPITALS AND  
MEDICAL RESEARCH LIMITED  
JAIPUR HOSPITAL**

LAL KOTHI, NEAR S.M.S. STADIUM,  
TONK ROAD, JAIPUR - 302 015